

MARKET MAKER – SHRIMP TASK FORCE

One of the main items we have been hearing from the shrimpers and fisherman post storms is that to not only recover from the hurricanes but survive and compete in the current economic climate- our fisherman need better and more direct access to markets so they can get higher prices and differentiate there products. As part of the recovery progress, HUD gave the State via its CDBG allocation an ability to address not only direct losses but to help communities and business with economic recovery and revitalization. (\$250m- 1+b loss statement)

As members of the shrimp task we have been charged with finding and developing solutions to address not only a vital economic engine to the State, and our rural economies, but to maintain one of our nation's most important fisheries and truly a defining element of the south and Gulf Fishery. The IO of fishing is huge..(7:1) (12:1) .. On numerous occasions during public comment so far, this body has also heard from shrimpers who say they need more direct access to markets, so they can sell fresh LA caught shrimp for a higher price. The shrimpers have also said that they want us to take a look at our marketing efforts and consider fresh innovative approaches.

While we will continue to listen and will work to develop, short, medium and long term solutions both within LA and at the Federal level to address some of the large systemic issues, like inspections, imports, product handling and safety, so that economically the industry can compete in a global marketplace in the years ahead, I want to inform you today about one small step we are taking on the marketing side, that we feel has large opportunities for our shrimpers and fisherman, via a product called MarketMaker.

Marketmaker is a innovative web based marketing clearing house, that directly links commodity based sellers (fisherman -Farmers) with buyers for there products (restaurants, etc) via the net. Created by the U of I, once a state makes a financial commitment, ALL commodity based producers in that State can access and use the product. It is not "owned" by WDB or processors but open to ALL producers.

LA will be on of the 1st states to use MarketMaker for seafood products and as one of 15 states in the nation to sign up so far, we will be a leading State by truly using 21st century technology to help our rural commodity producers. The Cooperative Extension Directors in each state are also behind this tool so it will grow. With a very strong recomendation from Sec. Barham, Vice Chancellor Coriel and Commissioner Strain and after learning much more about MarketMaker from LSU's professors we have decided to move ahead with beginning to aquire this product, as its an urgent need.

We will use \$125k of LRA/LDWF CDBG funds to provide the fishing industry access to the site for 3 years. We will create a direct relationship with LSU Ag Center to implement and manage MarketMaker. LSU via its vast network of extension offices will work directly with our seafood producers and farmers in there communities, to create web presences for individual businessess that want to participate. If there are technology challenged businesses, they can meet with LSU staff and get help building web presences and get online in there communities. I will also be speaking to LED and LCTCS about seeing if there are possibilities that they can further assist so that our fisherman and our wives, girlfriends, sons or daughters can help create the appropriate web content via courses so that these small businesses have the right tools to fully maximize this product (flash etc). At the end of the 3rd year, commissioner Strain has agreed to find resources to cover the maintenance fee is future years.

As we all know, gaining access to, or rather re-gaining access to markets after the storms, staying in them and having the abillity to develop new markets has been very difficult for our fisherman. This is not just because we have had 4 hurricanes in three years, and because were going through one of the worst global recessions in our generation, but with national unemployment rates being over 10%, shrimp and seafood outside of LA are seen as "luxury" items and demand has fallen off but will return. To LA'n shrimps, crabs and oysters are day to day foods

and not luxury items but normal family meal options that are actually cheap and plentiful. Having marketmaker may help our bottom lines in LA and make seafood and protein cheaper in areas like Madison WI, Lincoln NE, Denver CO.

Another defining characteristic of the LA fishery that is also an important part of our culture is that most of the LA industry can be characterized as being comprised of small firms living in rural communities. Markets are a long ways away and less than 10% of the seafood we land is consumed in LA. Market Maker can help reduce these distances in a cost efficient manner that helps ALL of LA fishermen BUT IT WILL ONLY WORK AS LONG AS the product you sell are of high quality and standard.

Not only does marketmaker allow direct marketing of its products by producers, but it also allows buyers to know something about who they are purchasing from (important these days) and how the product they are buying was produced (fresh, farmed -organic with or without chemical etc) via the web pages and portals that are created by the sellers. These are all items that we have heard mentioned in public comment. MarketMaker also allows a restaurant in say Portland Ore for instance to post that it wants to buy 50 lbs of fresh not frozen gulf shrimp at a certain size and sellers could offer prices, we can fill those requests and keep them as long as our quality is high.

The LDWF and Louisiana Shrimp task force was tasked with helping to create solutions that will enable the industry to compete in the years ahead in a truly global marketplace. We were tasked with not only meeting but in getting something tangible done. MarketMaker is a small but needed 1st step. It has the potential to help Louisiana's seafood industry compete, whether its an individual shrimper or large firms in the seafood distribution chain. There will be many more steps to come

From a State perspective, I hope that Market Maker shows what State agencies tasked to work together across agencies can do to achieve solutions. We do however want to know that this while this is a small investment in dollars that it's a wise one. We therefore will track from a CDBG perspective, how many seafood businesses we get online and in what parishes, and I hope as we learn more about what MarketMaker can do and we work to rebuild, position and modernize the industry together, that we will have the ability to track MarketMakers effectiveness, whether its generating sales opportunities or determining what additional skills were learned from this tool (flash whatever). The LRA/LDWF and Task Force know this is an urgent need and in the next month or so LDWF and LSU should start to have more firm commitments of plans moving forward which will be well publicized in local communities. .

So to close, while market maker is relatively new, LA will also be one of the 1st to use this product to assist our fishery. The State will work aggressively through LSU and Seafood promotion marketing board to get the product into the hands of the business community. We hope that our fishermen will see using MarketMaker as an opportunity to create, sustain or improve their businesses by using web portals equally and without regard to location, size and they by using \$125k of LRA/LDWF Disaster CDBG recovery funds from our coastal community fishery recovery program that it benefits the industry.

THANKS.